



Jackson Study Reveals Consumers Anxious About Inflation; Financial Professionals Recommend Diversifying

Latest research in Jackson's Security in Retirement Series reveals consumers have become more pessimistic about their financial security outlook over the past three years

LANSING, Mich., May 15, 2024 – [Jackson National Life Insurance Company](#) (Jackson®), the main operating subsidiary of Jackson Financial Inc.¹ (NYSE: JXN), today released key findings from its study on how consumers and financial professionals perceive inflation risk and the associated impacts on retirement income planning. The study is the second installment of Jackson's *Security in Retirement Series* conducted in partnership with the [Center for Retirement Research at Boston College](#), which aims to provide useful, actionable, research-based insights on a variety of potential impacts to financial security in retirement.

Jackson research shows that a consumer's perception of a high-inflation environment, coupled with broader economic uncertainty and concerns about Social Security, remains top of mind – particularly as it relates to retirement planning. In fact, more than half of consumers surveyed are more pessimistic about their financial security outlook now than they were in 2021, with nearly 30% being “much more pessimistic” after experiencing a peak inflationary environment in 2022. Concerns of inflation affect not only consumers' and financial professionals' attitudes, but also their behaviors around lifestyle, buying habits and investment portfolios.

Additional findings from the research include:

- **More than half of consumers surveyed were unclear about current rates of inflation. This cohort of consumers reported inaccurate rates or indicated they could not make an estimate of inflation rates.** These findings indicate a low level of awareness and a high level of uncertainty among respondents.
- **Overall, predictions for future rates of inflation vary among financial professionals and consumers.** Research found 26% of consumers believe inflation rates will exceed 5% in the next few years, compared to only 8% of financial professionals.
- **Diversification ranked highest as a specific method used by financial professionals to fight against inflation risk in their clients' portfolios.** Additionally—in 2023, 42% of the financial professionals surveyed

¹ Jackson Financial Inc. is a U.S. holding company and the direct parent of Jackson Holdings LLC (JHLLC). The wholly-owned direct and indirect subsidiaries of JHLLC include Jackson National Life Insurance Company, Brooke Life Insurance Company, PPM America, Inc. and Jackson National Asset Management, LLC.

recommended an increased asset allocation to annuities with guarantees, up noticeably from the 32% who did so from the start of 2021 until the end of 2022.

- **Consumers whose financial professionals suggested inflationary mitigation strategies lost less of their purchasing power than others.** Consumers working with a financial professional lost an average of 2% of their purchasing power over the preceding 12 months due to inflation, while those not working with a financial professional lost twice as much – an average of 4%.
- **Pre-retirees surveyed indicated they feel the impacts of inflation more than retirees.** Forty-one percent of pre-retirees reported a negative impact from high interest rates on their household finances, while only 29% of retirees reported the same effect.
- **The research shows that much of how people feel about inflation and the broader economy relates to where they get their news.** Reliance on certain news sources can reflect levels of economic optimism or pessimism based on the bias of the media outlet².

“Understanding how inflation impacts our economic environment is critical to financial planning, and we’re seeing that, to varying degrees, consumers and financial professionals are either unsure or simply getting it wrong,” said Glen Franklin, Assistant Vice President of Research, RIA and Lead Generation Strategy for Jackson National Life Distributors LLC (JNLD), the marketing and distribution business of Jackson. “While inflation risk is important to comprehend and manage throughout the retirement process, misunderstanding the effects can lead to either over- or under-spending retirement savings. It can also significantly impact saving before retirement begins. Our findings suggest there is a strong opportunity for more financial professionals to actively address clients’ concerns, and that consumers clearly benefit from such guidance in modifying their investments.”

Jackson’s ongoing work with the Center for Retirement Research at Boston College aims to help consumers and financial professionals better navigate financial challenges and mitigate risks to retirement income planning. This latest study highlights comprehensive academic research focused on four key areas: the effects of inflation on financial outlook and results; perceptions about inflation and Social Security by retirement status; inflation and gender decision-making roles; and economic optimism and the role of news sources.

Alicia Munnell, Peter F. Drucker Professor of Management Sciences at the Carroll School of Management and director of the Center for Retirement Research at Boston College, added, “Inflation was not on our radar for several decades, but it came back front and center after the post-pandemic spike in prices. High inflation has real impacts on financial security in retirement. While many households did offset the short-term pain by tapping assets and cutting back on saving, such actions will mean less consumption in the future.”

² Bias determined using Ad Fontes Media, “The Media Bias Chart,” accessed February 9, 2024.

The research, fielded between June 12-October 27, 2023, included online surveys of 400 financial professionals and more than 1,500 consumers, including both pre-retirees and currently retired, between 55 and 85 years of age. Respondents were required to participate in, or lead, household financial decision-making.

Part one of Jackson's *Security in Retirement Series* focused on longevity risk, or the risk of outliving income. Future studies will explore and analyze a selection of critical risks impacting Americans' security in retirement, such as healthcare, market dynamics and policy risk related to government programs.

To access details and up-to-date findings relative to this research as well as other proprietary research materials developed by Jackson on topics that impact the saving and spending habits of Americans, visit www.jackson.com/researchcenter.

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Jackson® (NYSE: JXN) is committed to helping clarify the complexity of retirement planning—for financial professionals and their clients. Through our range of annuity products, financial know-how, history of award-winning service* and streamlined experiences, we strive to reduce the confusion that complicates retirement planning. We take a balanced, long-term approach to responsibly serving all our stakeholders, including customers, shareholders, distribution partners, employees, regulators and community partners. We believe by providing clarity for all today, we can help drive better outcomes for tomorrow. For more information, visit www.jackson.com.

**SQM (Service Quality Measurement Group) Contact Center Awards Program for 2004 and 2006-2023, for the financial services industry (To achieve world-class certification, 80% or more of call-center customers surveyed must have rated their experience as very satisfied, the highest rating possible).*

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Jackson® is committed to ensuring more Americans in or nearing retirement can benefit from greater clarity and confidence in their financial futures. To better support this important goal, we have partnered with leading academic experts at the Center for Retirement Research at Boston College to launch the Jackson Security in Retirement Series. This multiphase research effort will take a comprehensive look at a range of potential threats to financial security with the goal of helping financial professionals and retirement savers more effectively identify and manage them.

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